

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3951-01
Bill No.: SB 723
Subject: Roads and Highways, Transportation, Transportation Department, Fees
Type: Original
Date: February 5, 2010

Bill Summary: Requires the state highways and transportation commission to collect certain billboard fees to pay for the removal of billboards.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
State Road Fund	\$1,409,100	\$4,168,200	\$4,168,200
Total Estimated Net Effect on <u>Other</u> State Funds	\$1,409,100	\$4,168,200	\$4,168,200

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Missouri Department of Transportation** assume the logic and methodology of estimating the fiscal impact to the department is as follows: Using the current 5 year approved Statewide Transportation Improvement Program (STIP) as a foundation, projects that have right of way dollars programmed were analyzed to determine whether there are currently billboard structures within estimated project limits. The results of that analysis indicate that over state fiscal years 2011, 2012, 2013, and 2014, there are currently 17 projects that have right of way dollars programmed that are estimated to impact 37 billboard structures.

It is estimated that the average value of a billboard structure is \$150,000.
 $37 \text{ billboards} \times \$150,000 = \$5,550,000$

We currently have 9,197 signs on our billboard inventory. Sizes range from 32 square foot to 1,200 square foot. We are estimating the average size of a billboard to be approximately 400 square foot. $400 \text{ square foot} \times \$1.50 = \$600$

$\$600 \times 9,197 \text{ billboards} = \$5,518,200$ annually or \$22,072,800 over the last 4 years of the current 5 year STIP.

Officials at the **Office of the State Treasurer** assume that there is no fiscal impact from this proposal.

The fee has a start date of January 1, 2011, so **Oversight** has only shown in the fiscal note, half of the annual fee as being collected in FY 2011.

For the purpose of this fiscal note, **Oversight** assumes that of the 37 billboards to be moved in the next four years that an average of 9 billboards a year will be moved. Therefore, MoDOT will have a cost of \$1,350,000 per year. Oversight has shown the collection of the fee and the replacement of the billboards in the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (6 Mo.)	FY 2012	FY 2013
STATE ROAD FUND			
<u>Revenue</u> - Dept of Transportation billboard fee	\$2,759,100	\$5,518,200	\$5,518,200
<u>Cost</u> - Dept of Transportation purchase of billboards being moved	<u>(\$1,350,000)</u>	<u>(\$1,350,000)</u>	<u>(\$1,350,000)</u>
ESTIMATED NET EFFECT ON STATE ROAD FUND	<u>\$1,409,100</u>	<u>\$4,168,200</u>	<u>\$4,168,200</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Some small businesses own billboards and they would be required to pay the annual assessment of \$1.50 per square foot on all signs owned.

FISCAL DESCRIPTION

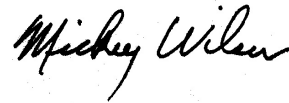
This act imposes an assessment fee of \$1.50 per square foot on certain outdoor advertising structures. The fee is not imposed on certain organizations (religious organizations, service organizations, veterans' organizations, and fraternal organizations)(such organizations are currently exempt from permit and inspection fees). The assessment fees shall be deposited in the state road fund and the commission shall keep a separate accounting of such fees. The fees shall be used to pay just compensation for the removal of lawfully existing billboards.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Missouri Department of Transportation
Office of the State Treasurer

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 5, 2010